

# Building and Structure Construction Tax Fund

# Fund 429

## PURPOSE OF THE FUND:

The Building and Structure Construction Tax Fund shall be used to account for all Building and Structure Construction taxes collected, and shall be used for the purposes and in the manner set forth in the San José Municipal Code.

All taxes shall be expended for the acquisition of lands, and interest in land, for and the construction, reconstruction, replacement, widening, modification, and alteration (but not maintenance and repair) of existing and proposed City streets shown as arterials and major collectors on the Land Use/Transportation Diagram of the General Plan dated December, 1975 and as amended, including (but not limited to) separation structures, bridges, and culverts for such streets and traffic control lighting systems.

## AUTHORITY FOR THE FUND:

San José Municipal Code sections 4.46.010 through 4.46.090. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

## SOURCE OF FUNDS:

- Investment earnings
- Interest earnings
- Grant revenues

According to San José Municipal Code Section 4.46.040, a tax is imposed upon every person who constructs, erects, enlarges, alters, repairs, moves, improves, converts, or causes to be constructed, any building or structure, or portion thereof, in the City, in which said person has an equity, title, or other interest either as owner, lessee, or otherwise, where such construction requires the issuance of a building permit under Chapter 17.04 of the San José Municipal Code.

Rate of tax:

- One and three quarters percent of eighty-eight percent of the valuation determined and used by the building official in computing the building permit fee if the building or structure, or portion thereof, is designed or intended to be for residential purposes.
- One and one-half percent of one hundred percent of the valuation determined and used by the building official in computing the building permit fee if the building or structure, or portion thereof, is designed or intended to be used for commercial purposes.
- One percent of one hundred percent of the valuation determined and used by the building official in computing the building permit fee if the building or structure, or portion thereof, is designed or intended to be used for industrial purposes.

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## FUND RESTRICTIONS:

Increases to the Building and Structure Construction Tax Fund, as well as significant changes to the use of moneys within the fund, are subject to voter approval.

All Building and Structure Construction taxes collected under Chapter 4.46 shall be placed in the “Building and Structure Construction Tax Fund” and shall be used for the purposes detailed in the San José Municipal Code.

The interest earned must stay within the fund and be used according to the intended purposes of the fund.

## LEAD RESPONSIBILITY:

- Public Works Department
- Department of Transportation

## FINANCIAL INFORMATION AND LOCATION:

### Comprehensive Annual Financial Report (CAFR) Designation:

Governmental Fund-Special Revenue

### Budget Location:

Adopted Capital Budget and Capital Improvement Program (Traffic Capital Program)

### Funding Sources Resolution and Appropriation Ordinance Location:

Section 6.05